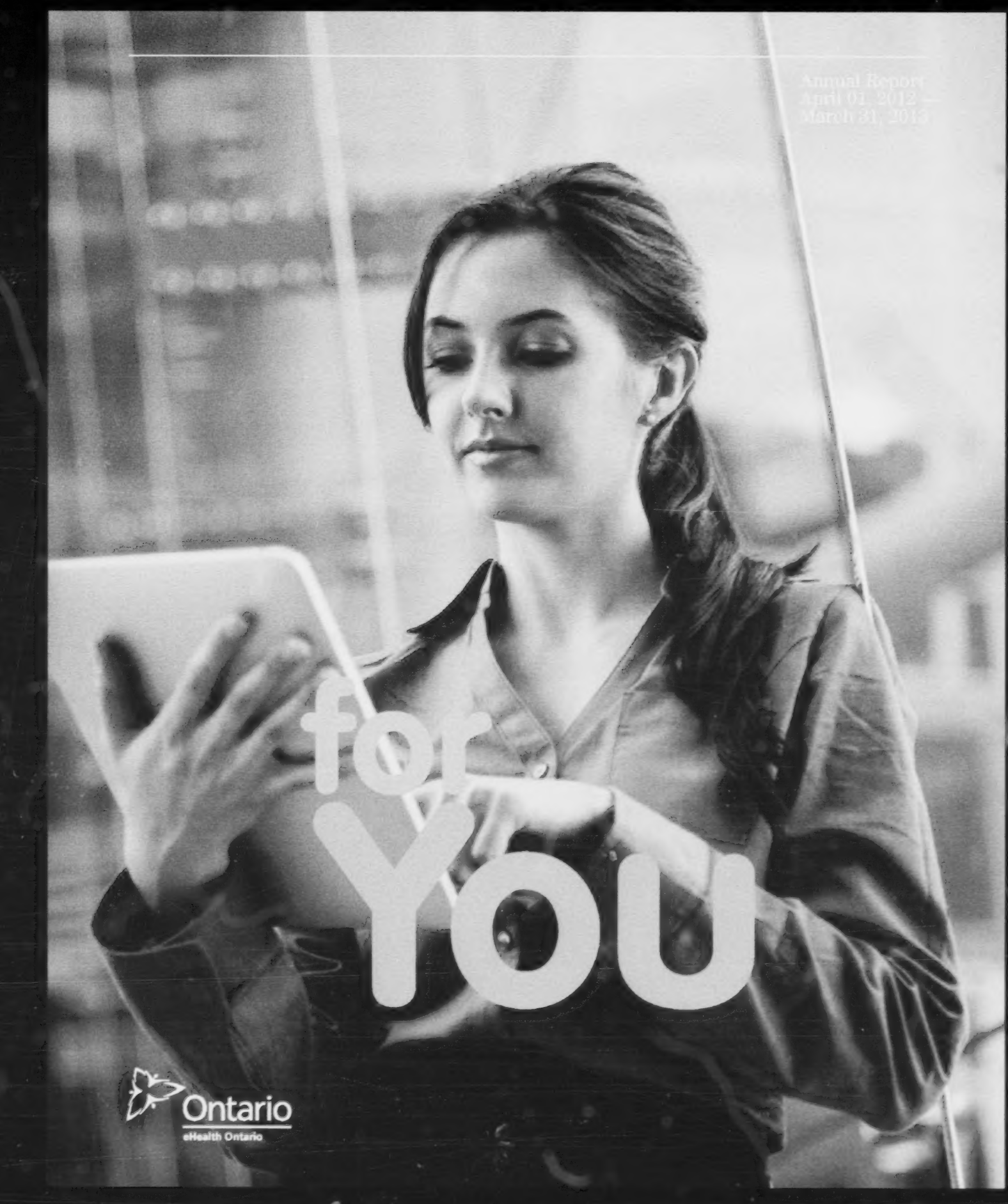
Annual Report
April 01, 2012 –
March 31, 2013
for
YOU
Ontario
eHealth Ontario

eHealth Ontario *It's Working for You*

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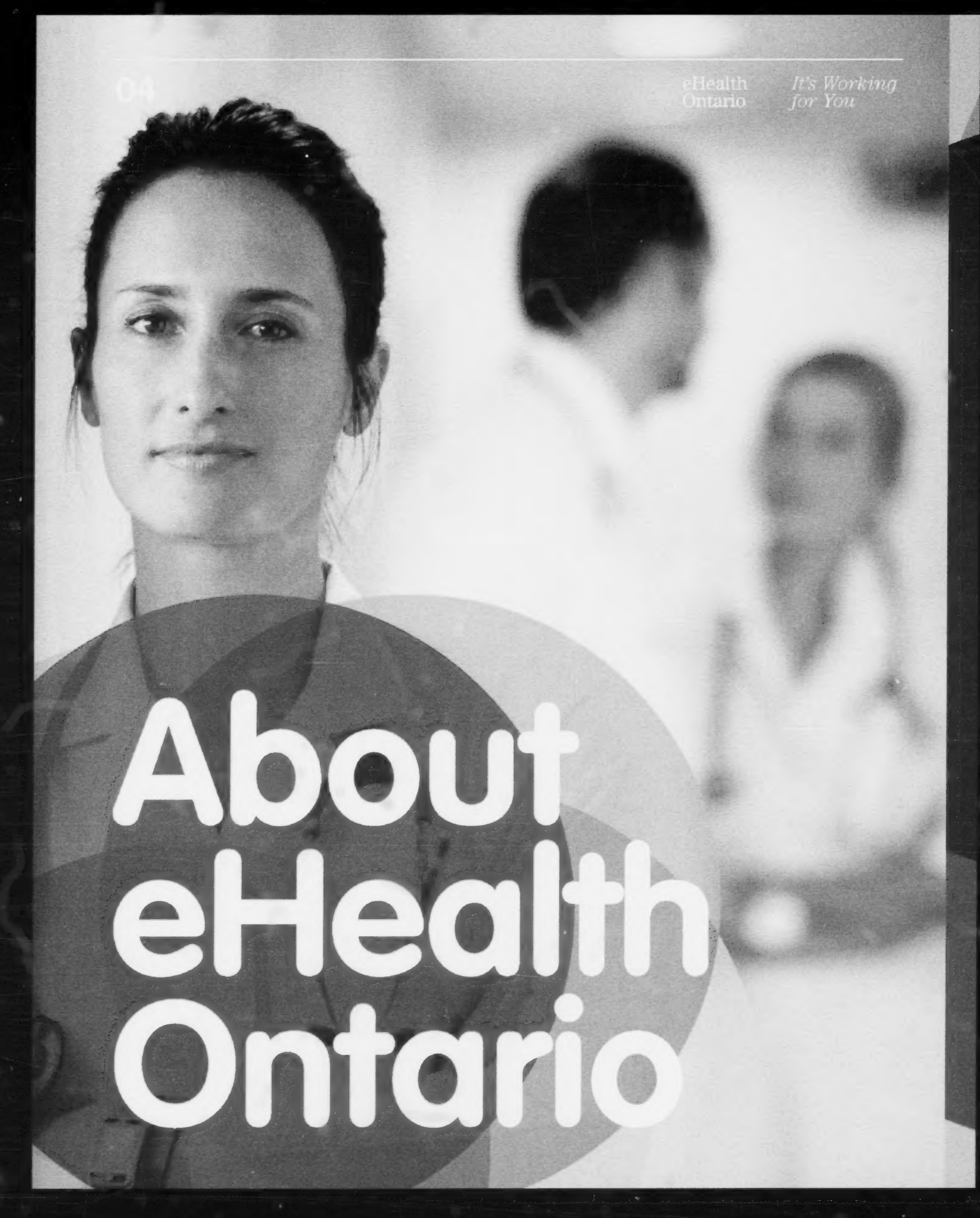

About eHealth Ontario

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When a patient's lab test results are received digitally in a doctor's office within hours rather than days, a brain CT scan is viewed electronically hundreds of miles away by an attending neurosurgeon, or an elderly person's full medication history is at the fingertips of an emergency room physician, that is eHealth Ontario working for you.

eHealth Ontario manages the digital network that connects your medical information to health care providers. We help improve patient outcomes through electronic data delivery, make the health care system more efficient, improve your health care experience, and provide savings and value for the Ontario taxpayer.

Established by the provincial government in 2008 as a crown agency of the Ministry of Health and Long-Term Care (MOHLTC), eHealth Ontario is giving physicians and other health care providers the tools and knowledge to establish and maintain an electronic health record (EHR) for every Ontarian.

WORKING WITH PRIVATE AND PUBLIC SECTOR PARTNERS TO CREATE AND DELIVER ELECTRONIC HEALTH CARE SOLUTIONS, THREE PRIORITIES GUIDE OUR EFFORTS:

01. Providing ehealth services and related support for the effective and efficient planning, management and delivery of health care in Ontario

02. Developing a transformational ehealth services strategy that moves the agency from a "build-and-deliver" model to one focused on service and maintenance

03. Protecting the privacy of individuals whose personal information or personal health information is collected, transmitted, stored or exchanged by and through the agency

Progress Report: 2012-2013 Overview

Progress Report: 2012-2013 Overview

eHealth Ontario, its many public and private sector partners, and health care providers across the province are helping to deliver significant returns on investment for Ontario taxpayers.

Protecting Children from Adverse Drug Reactions

For the first time, pediatric care providers will have access to lab test results electronically. Created originally by The Hospital for Sick Children in 1999, the electronic Child Health Network (eCHN) is now available province-wide — and will soon be giving over 1,500 pediatric care providers access to Ontario laboratories information system (OLIS) data on more than two million Ontario children.

Today, 2 out of 3 Ontarians have an electronic medical record (EMR).

6 out of 10 physicians use an EMR in their practice.

Doctors can now receive hospital reports into their EMRs faster than ever.

Over 190,000 vulnerable citizens benefit from EMRs at community health centres.

Over 1 billion test results and counting, the Ontario laboratories information system (OLIS) is capable of sharing results of up to 45,000 different types of tests.

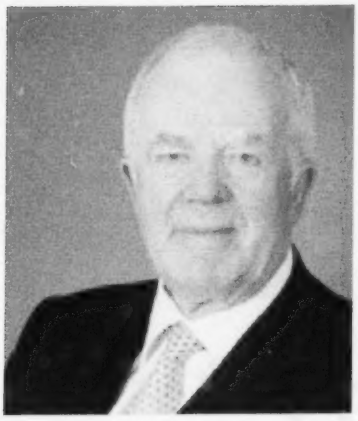
92% of hospital sites can share diagnostic images and reports digitally within their region.

Neuro trauma patients now have **access to a neurosurgeon 24 hours a day, 7 days a week.**

Over 6,000 patient drug profiles are now being accessed daily in hospitals and community health centres, including medication histories for almost all seniors.

Welcome from the Chair

eHealth Ontario has a mandate to deliver an electronic health record (EHR) for the people of Ontario. Today, our organization is undergoing the transformation needed to support the long-term sustainability of the EHR for Ontario's health care system, its 13.7 million residents and thousands of health care providers.



For several years now, eHealth Ontario has focused largely on fulfilling its "build-and-deliver" role — harnessing both new technology and practical solutions to improve effectiveness, efficiency, safety and integration to the health care system for patients and care providers.

While that focus continues, Ontario's EHR is now becoming a reality. eHealth Ontario is shifting its emphasis to operations, maintenance and delivering electronic services.

Much of our success to date, and for the future, is based on collaboration with the Ministry of Health and Long-Term Care, regional organizations, individual health care facilities and hospitals, community-based care providers, and technology vendors.

eHealth Ontario sets out a common architecture and standards for vendors and developers to create solutions that can securely exchange and access patient information among disparate systems and applications. Health care providers are thus enabled to choose solutions that fit their specific needs and vendors can pursue opportunities without restriction — a win-win for all that is helping to speed Ontario's progress toward a comprehensive EHR.

Working collaboratively with our partners in the health care community has helped eHealth Ontario develop a clearly-defined strategy-based solutions architecture that is safe, robust and secure for patients and care providers.

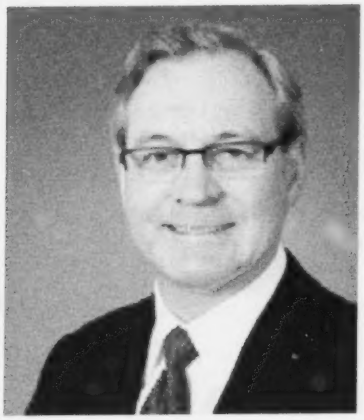
I will take this opportunity to sincerely thank my colleagues, who devote significant hours of time and expertise as members of our board of directors, as well as the many hard-working individuals striving to achieve world-class health care for Ontario patients.

Respectfully,

Raymond V. Hession
Chair

Message from the President & CEO

Shortly after I joined eHealth Ontario three years ago, we effectively "rebooted" our thinking on electronic health records. We recognized that the province was already awash in electronic patient data created by clinicians, institutions and regional networks. Our goal was to connect that patient information from the hundreds of large and thousands of small computer systems where it resides so clinicians could access it anywhere, anytime an Ontarian sought care.



Today, eHealth Ontario is well on its way to meeting that goal.

Electronic medical records (EMRs) – the computer software clinicians use to collect, manage and store patients' electronic health records – are created every day. In fact, nearly 70% of Ontarians now have an electronic health record. Today:

- More doctors in Ontario use electronic health records than in all other provinces combined
- Each month, over a quarter-million hospital reports are sent digitally to patients' EMRs so their primary care physicians can provide better care
- More comprehensive than ever, EMRs now offer full access to the Ontario laboratories information system — a database of 1 billion+ lab test results
- Sixty five per cent of Ontario's lab data are now captured in the Ontario laboratories information system
- Over 90% of hospitals can now share diagnostic images, such as CT scans and MRIs, electronically and instantaneously
- Every emergency room has access to individual drug profiles for Ontario's seniors, enabling fast responses in critical situations
- Soon, all 87 Association of Ontario Health Centre member sites, including community health centres, aboriginal health centres and nurse practitioner led clinics, will have access to EMRs so clinicians can provide better care to patients

We achieved these milestones by focusing on three strategies. First, we improved front-line care by funding efforts to install provincially-certified EMR software into clinicians' offices, connecting them to nearby hospitals, clinics and labs, and allowing them to search lab results contained in OLIS. Second, we took advantage of existing local and regional systems to connect clinicians with patient information. Third, we leveraged capabilities of the private sector and partnered with more than a dozen companies building competitive EMR solutions. We are also working with the Ontario Medical Association and other groups to speed the transition from paper records and film to the digital world.

Today, we can confidently declare on behalf of our employees and our many partners in the health care community, that eHealth Ontario is working, and it's working for you.

Sincerely,

Greg A. Reed
President and Chief Executive Officer

eHealth Ontario at-a-Glance

eHealth Ontario at-a-Glance

Think, for a moment, about the complexity of Ontario's health care system — hundreds of hospitals, doctors' offices and community clinics, thousands of health care providers, and millions of patients.

Now, imagine the technology and know-how needed to securely and privately connect, manage and share the data generated in literally thousands of health care "transactions" happening at these locations every minute, including storing of test results, real-time emergency room access to patient drug histories, and gigabytes of diagnostic images and data sent instantaneously between hospitals and physicians.

Developing and supporting the secure and high-speed information network that can handle this data flow, and helping to build comprehensive electronic health records for every Ontarian has been eHealth Ontario's challenge since it was formed and funded by the provincial government in 2008.

So, how do we do it?

eHealth Ontario at-a-Glance

eHealth Ontario's Technology Infrastructure

A foundation of Ontario's ehealth technology infrastructure is ONE® Network — the secure and high-speed electronic backbone allowing health care providers to share personal health information, and access health care applications and services province-wide.

Separate from the public Internet, this world-class private network supports the rapid movement of very large data files across the province and helps make possible health care applications ranging from doctor-patient videoconferencing to real-time transfer of digital images.

Working with Hydro One Telecom Inc., eHealth Ontario's ONE® Network uses dedicated equipment to connect with optical light paths that create a high-speed network that spans the province. The network also helps connect technology resources of hundreds of health care facilities in 14 regional Local Health Integration Networks (LHINs), which have full responsibility for health services in their communities.

In addition to providing a platform for solutions and applications created by public and private sector partners, eHealth Ontario's network clients also use the network for a wide range of services, including a secure email system for hundreds of thousands of care providers, a telemedicine network for remote areas of Ontario, and data services for large health care institutions.

eHealth Ontario at-a-Glance

Dedicated & Innovative Workforce

eHealth Ontario's Leadership Team

SENIOR MANAGEMENT

Greg A. Reed,
President & CEO

Alice Keung,
Chief Operating Officer

Jamie Allison,
Vice President,
Human Resources

Rob Basque,
Senior Vice President, Operations

Abigail Carter-Langford,
Chief Privacy Officer & Vice President

Jackie Irvine,
Senior Vice President, Development & Delivery

Robert Mitchell,
Vice President, Stakeholder Relations and Corporate Communications

F. David Rounthwaite,
General Counsel & Corporate Secretary

Angela Young,
Chief Financial Officer & Senior Vice President

The secure "always on" data network is just one part of eHealth Ontario's role in developing the EHR for Ontarians. Daily, eHealth Ontario team members interact with health care providers, hospitals and clinics, professional associations, and public and private sector partners across Ontario and Canada in support of hundreds of local, regional and province-wide ehealth initiatives.

Remarkably, the agency's interactions with literally thousands of health care system participants annually involves a relatively small and dedicated team. As of March 2013, eHealth Ontario employed 957 people in four office locations and its three secure computing centres — with the vast majority being full- and part-time employees working in operations, and product development and delivery.

With a wide range of interesting projects and impactful initiatives, eHealth Ontario was honoured in 2013 to be chosen among the Greater Toronto Area's Top Employers and as one of Canada's Best Employers for Recent Graduates.

Jill Heath,
Manager, Data Integrity

Benjamin Goldberg,
Manager, Program Office, OLIS

Jasen Caissie,
Technical Analyst

Samreen Butt,
Product Manager,
User Registry and Federation

Kathy Callfas,
Manager, Privacy Assurance Services

Wayne Zhang,
Security Analyst

eHealth Ontario at-a-Glance

Enhancing Health Care

eHealth Ontario's Leadership Team

BOARD OF DIRECTORS
Raymond V. Hession, Chair
Jean-Pierre Boisclair
Michael Foulkes
David Hallett
Veronica S. Maidman
Sue Matthews
Maureen O'Neil
Greg A. Reed
Heather Sherrard
Dr. George Southey

Designed solely for health care professionals, eHealth Ontario's advanced data network is providing the bandwidth and security needed to accommodate the province's growing portfolio of specialized health care applications and services.

Through technological innovation and practical solutions, we are working to improve health care by connecting care providers to the information they need.

2012-2013 Achievements

nts

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26 Ontario Laboratories Information System (OLIS)

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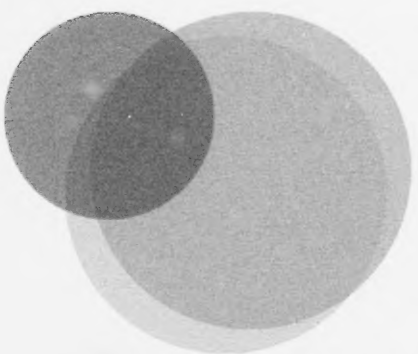
35 EHR Architecture and Standards

36 eHealth Ontario Privacy Office

37 eHealth Ontario Operations Division



Judith L. Leslie, Patient

Accelerating EMR Adoption:

Physician eHealth Program

"In the past, it's been exceedingly difficult and painful because I have had many health problems. Most frustrating is when you get blood work and it's not given to all four or five specialists. The ability for all the doctors to work as a team is huge. I feel like I've been given my life back."

Judith L. Leslie, Patient

Most patient health information is gathered in a primary care physician's office or at a local clinic. The ability to exchange that information electronically with other health care providers, such as specialists, enables enhanced care and patient safety.

In partnership with OntarioMD — a subsidiary of the Ontario Medical Association — and the Association of Ontario Health Centres (AOHC), eHealth Ontario is providing funding and support to community-based health care providers and primary care physicians to adopt electronic medical records (EMRs), enabling them to electronically collect, manage and share patients' health information. There are now more than 10,000 community-based care providers enrolled in the EMR adoption program, representing nine million Ontarians.

THAT MEANS NEARLY TWO OUT OF THREE ONTARIANS ARE NOW WITH A PRIMARY CARE PHYSICIAN ENROLLED IN THE PROGRAM. OUR PHYSICIAN EHEALTH DEPARTMENT OVERSEES THIS PROGRAM, PROVIDING BOTH ONE-TIME AND MONTHLY FUNDING, AS WELL AS TRANSITION AND ADOPTION SUPPORT SERVICES. TO DATE, THE PROGRAM'S ACHIEVEMENTS INCLUDE:

- Nearly 70% EMR adoption rate among primary care physicians
- 28 of 87 AOHC member sites successfully using a provincially-certified EMR, including 23 of 26 nurse practitioner-led clinics live with an EMR
- More than 2,000 community-based clinicians enabled to receive OLIS lab results directly into an EMR
- Completion of business requirements for a provincial eReferral solution — enabling primary care clinicians to complete and submit referrals to specialists electronically
- Hospital report solutions are now electronically delivering over 800,000 patient hospital reports per quarter to primary care providers, from more than 40 participating hospitals

Growing Access to Online Lab Test Results:

Ontario Laboratories Information System (OLIS)

"I think everyone wants to see movement forward in reducing inefficiencies in clinic. Everyone wants to use their time wisely, both patients and providers."

Dr. Erin Keely,
Chief, Endocrinology & Metabolism
The Ottawa Hospital

Dr. Erin Keely,
Chief, Endocrinology & Metabolism
The Ottawa Hospital

Fewer gaps in patient care information, less duplication in lab tests, and faster and more informed care decisions are among the chief benefits of OLIS – a province-wide online repository of secure lab information shared between hospitals, community laboratories, public health laboratories and health care providers.

In 2012-2013, OLIS saw ongoing success. The volume of lab results rose 8% owing to a wide variety of projects coming online. OLIS now hosts 96% of community-based lab data and results and houses more than 1.25 billion results for approximately 9.5 million Ontarians in its database. With over 80 initiatives and projects, nearly 40,000 registered users now have access to OLIS in support of improved patient care.

"Patients are going to notice that they are not having duplicate tests or being asked the same questions over and over again, and that their care providers are more confident about the care they are delivering because they have better information and are more comfortable with the decisions they are making."

Dr. Glen Geiger,
Chief Medical Information Officer
The Ottawa Hospital

Dr. Greg Rose,
Infectious disease consultant
The Ottawa Hospital

"The Ontario laboratories information system and eHealth Ontario have revolutionized my practice over the last year. And, in fact, I'm constantly learning new ways to use this system to my patients' advantage."

Dr. Greg Rose,
Infectious disease consultant
The Ottawa Hospital

Dr. Glen Geiger,
Chief Medical Information Officer
The Ottawa Hospital

Striving for System-wide Access:

Diagnostic Imaging Program

Reduced patient wait times, faster physician reports and clinical decisions, fewer unnecessary exams, and reductions in testing duplication are among the benefits of Ontario's world-class diagnostic imaging (DI) program. Today, every hospital can access digital images instead of film using secure computer systems containing patient radiology reports, X-rays, CT scans, ultrasounds, MRIs and mammograms.

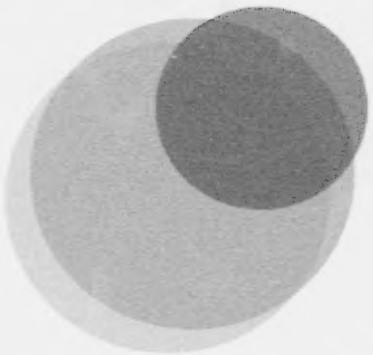
The DI program enjoyed unparalleled success in 2012-2013 – notably, with DI repositories (DI-rs) that leverage shared regional resources and award-winning projects such as the emergency neuro image transfer system (ENITS).

The Southwestern Ontario Diagnostic Imaging Network and Northern and Eastern Ontario Diagnostic Imaging Network DI-rs have each completed their integration efforts, joining the Hospital Diagnostic Imaging Repository Services (HDIRS) DI-r, and marking the completion of in-scope hospital integration of three of the four DI-rs in the province.

We have also begun connecting independent health facilities (IHFs) to DI-rs – beginning the integration of the acute and community care sectors. In the near future, DI results will be available to both hospital and front-line community-based care providers, no matter where an image was first acquired.

Working with the MOHLTC, Ontario Telemedicine Network (OTN), London Health Sciences Centre and CritiCall Ontario, eHealth Ontario recently updated ENITS to include stroke consultation. OTN's 10 neurologists are now registered and using ENITS — giving Ontario a common platform for all types of emergency and life-saving neuro care.

With ENITS, specialists and emergency room physicians can properly assess the stage and severity of a stroke, and determine whether the tissue plasminogen activator (tPA) drug, which breaks down blood clots, is a viable option. If administered within two hours, a tPA injection can prevent paralysis and even death.



"My own experience with ENITS has been extremely positive. The service is available 24/7 and there have been no times when it was inaccessible. Search tools to find the correct patient are effective. Most importantly, ENITS can be accessed from any Internet-connected computer, eliminating the delay of getting to a dedicated Telestroke computer."

Frank L. Silver, MD, FRCP(C) Medical Director,
Toronto West Stroke Network& Ontario Telestroke Program

Norma Mitchell, Patient

Progressing to Online Prescribing & Monitoring:

Medication Management Program

When medication is prescribed, potential adverse drug reactions and side effects are a concern to both patients and health care providers. eHealth Ontario's initiative to develop a province-wide medication management system (MMS) will help enhance patient safety and reduce health care costs.

We are working with the MOHLTC and professional regulatory colleges to develop the policy frameworks surrounding the system. Over 50 recommendations have been identified to ensure the MMS promotes adherence with professional standards of practice, while also building support and readiness for the system. Similarly, working groups have been established with the pharmacy sector's retailers and software vendors.

"Having access to a complete patient profile that includes all drugs prescribed and dispensed in Ontario will allow me to provide more informed and collaborative care to my patients."

Donnie Edwards,
Independent Pharmacy Owner,
Ridgeway Ontario

One way we are broadening emergency access to medication histories is through the drug profile viewer (DPV). In medical emergencies, patients with severe health issues are not always able to communicate with ER clinicians about medications they are taking. The DPV is a secure, web-enabled application providing authorized health care providers with prescription drug claims information for 2.6 million Ontario Drug Benefit and Trillium Drug Program recipients.

DPV is operational in all hospitals in Ontario and in a small number of community health centres as part of a limited roll-out. As a mature and stable project now, the MOHLTC formally transferred responsibility for DPV's ongoing operations management to eHealth Ontario in 2012-2013.

Today, over 6,000 patient profiles are being accessed daily in hospitals and community health centres.

Dr. Michael Feldman,
Sunnybrook Hospital

"In the emergency department at Sunnybrook, we use the drug profile viewer as one of the tools for quickly diagnosing patients, especially those who are unable to give their history or who have a critical illness."

Dr. Michael Feldman,
Sunnybrook Hospital

"The drug profile viewer gives me confidence because it means that no matter where I am, any doctor in any hospital can know what my needs are in respect to medications. With the drug profile viewer, many mistakes can be avoided."

Norma Mitchell, Patient

Achieving the EHR Leveraging Existing Resources:

Regional Integration Initiatives

eHealth Ontario is partnering with health service providers and Local Health Integration Networks (LHINs) to implement programs in three regions — Greater Toronto Area (ConnectingGTA), Southwest Ontario (ConnectingSWO), and Northern and Eastern Ontario (ConnectingNEO) — as key components of the provincial EHR and for meaningful clinical adoption.

The information systems of these three regions, along with provincial EHR assets and services, will comprise ehealth for the province. Integrating health care data from these regions and leveraging existing, proven local assets will rapidly improve access to the provincial EHR, and enhance patient care and clinical efficiencies.

Accomplishments in 2012-2013 include:

ConnectingGTA: Delivering the EHR for 51% of Ontario's population, eHealth Ontario and Canada Health Infoway are funding efforts to provide new electronic tools for clinicians to access patient health care information from other care providers, including hospitals, primary care, home care and community agencies. This seamless and secure system will improve the timeliness of care decisions, reduce the need for duplicate tests and procedures and improve the patient experience.

ConnectingSouthWestOntario (cSWO): Four LHINs in this region represent 29% of the population. Planning here is now complete with detailed action plans, partners and adoption targets determined.

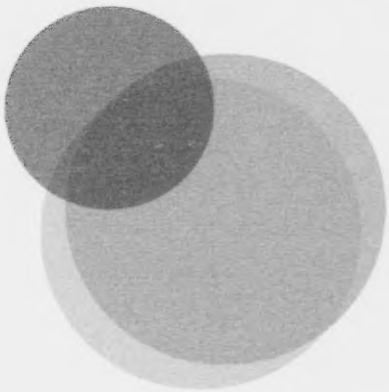
ConnectingNorthernandEasternOntario (cNEO): With 20% of the population, cNEO has completed detailed plans, partners, and adoption targets. cNEO is also proceeding with mobilization activities to determine a regional hub delivery partner.

"ConnectingSWO will allow clinicians to have the information they need to make the best patient care decisions. This is what our patients expect and what this program will deliver. cSWO has the potential to help us provide better and more efficient care."

Dr. Mohamed Alarakhia,
Director of eHealth Solutions,
The Centre for Family Medicine Family Health Team

"cNEO will help improve the efficiency of my decision-making process since it will provide me with timely and secure access to electronic patient documents and reports"

Dr. Chris Bourdon,
Chief of Staff,
Health Sciences North



"ConnectingGTA is an important endeavour that has the promise to liberate health data silos, improve clinical workflows at the point of care and thus support more informed and effective care. It also has the potential to make organizations and individual providers of care collaborate more fully around clinical problems and that alone will be transformative."

Dr. David Daien,
Summerville Family Health Team

Enhancing Public Perceptions & Understanding:

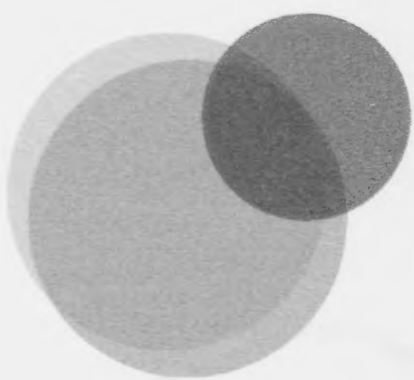
Redesigned eHealth Ontario Website

The audience for eHealth Ontario's website is broad, including doctors, nurses, specialists, pharmacists, hospitals, IT vendors, government, provincial health care agencies, news media, other stakeholders and the general public.

The agency's website has been relaunched with new content designed to improve public perceptions by demystifying the work of the agency. The revised website helps translate highly-regulated, complex and technical concepts into easy-to-understand, authentic and practical content that is patient-focused while highlighting benefits to clinicians and cost savings to the health care system.

All online communications have been refocused to clearly define the agency's role and initiatives, show actual outcomes and progress, enumerate patient benefits, and identify cost savings to the health care system. The new site also includes downloadable information, and engaging videos featuring real patients and clinicians sharing their experiences with ehealth solutions. Transparency is enhanced by disclosing financial information, including salaries and travel and hospitality expenses of its top earners.

The new website is also tightly integrated with social media. The relaunch included an e-newsletter with a supporting YouTube channel. All materials are also compliant with French language requirements and the *Accessibility for Ontarians with Disabilities Act*.



Providing Common Tools & Resources:

EHR Architecture and Standards

eHealth Ontario leads the way in standards and information architecture development for the electronic sharing of patient information. Our architecture and standards program helps ensure information and solutions are designed so they can be readily exchanged and understood by care providers across the province.

WE WORK CLOSELY WITH HEALTH CARE PROVIDERS, HOSPITALS, COMMUNITY-BASED PROVIDERS, THE PROVINCIAL AND FEDERAL GOVERNMENTS, AND VENDORS TO DEVELOP AND MAINTAIN THE BEST SOLUTIONS FOR ONTARIANS. IN 2012-2013, OUR ACHIEVEMENTS INCLUDED:

- Engaging 11,000 Ontario stakeholders in a comprehensive review of the provincial client registry standard, which elicited hundreds of comments — many of which led to changes or improvements in the provincial client registry standard
- Launching eLearning courses about Ontario's eHealth Blueprint to support health care and technology service providers in the delivery of electronic health records

Protecting & Securing Patient Information:

eHealth Ontario Privacy Office

eHealth Ontario's Privacy Office ensures the privacy and confidentiality of personal health and other information entrusted to the agency is maintained as it is collected, transmitted, stored or exchanged. This office also has specific privacy and data protection obligations, and data governance controls for the creation and maintenance of electronic health records.

In 2012-2013, the office conducted 41 assessments to identify and eliminate any potential privacy risks relating to new or redesigned products and services. The office also established a Privacy Community Services team to form stronger relationships with health care professionals and partner organizations across the province, and establish a common approach to privacy among all electronic health record users.

The office took other pro-active steps to protecting patient privacy, including launching a ConnectingPrivacy Committee, which will be a new provincial forum to address complex privacy issues associated with developing and implementing Ontario's EHR.

And, as more professionals use the eHealth Ontario network and services, agreements are being established with clinicians and health information custodians to enable them to securely and safely access electronic health records. In the past fiscal year, we developed five new agreements – all relating to enhancements to OLIS.

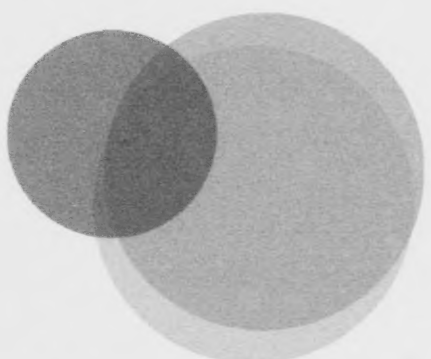
"Always On" Data Network:

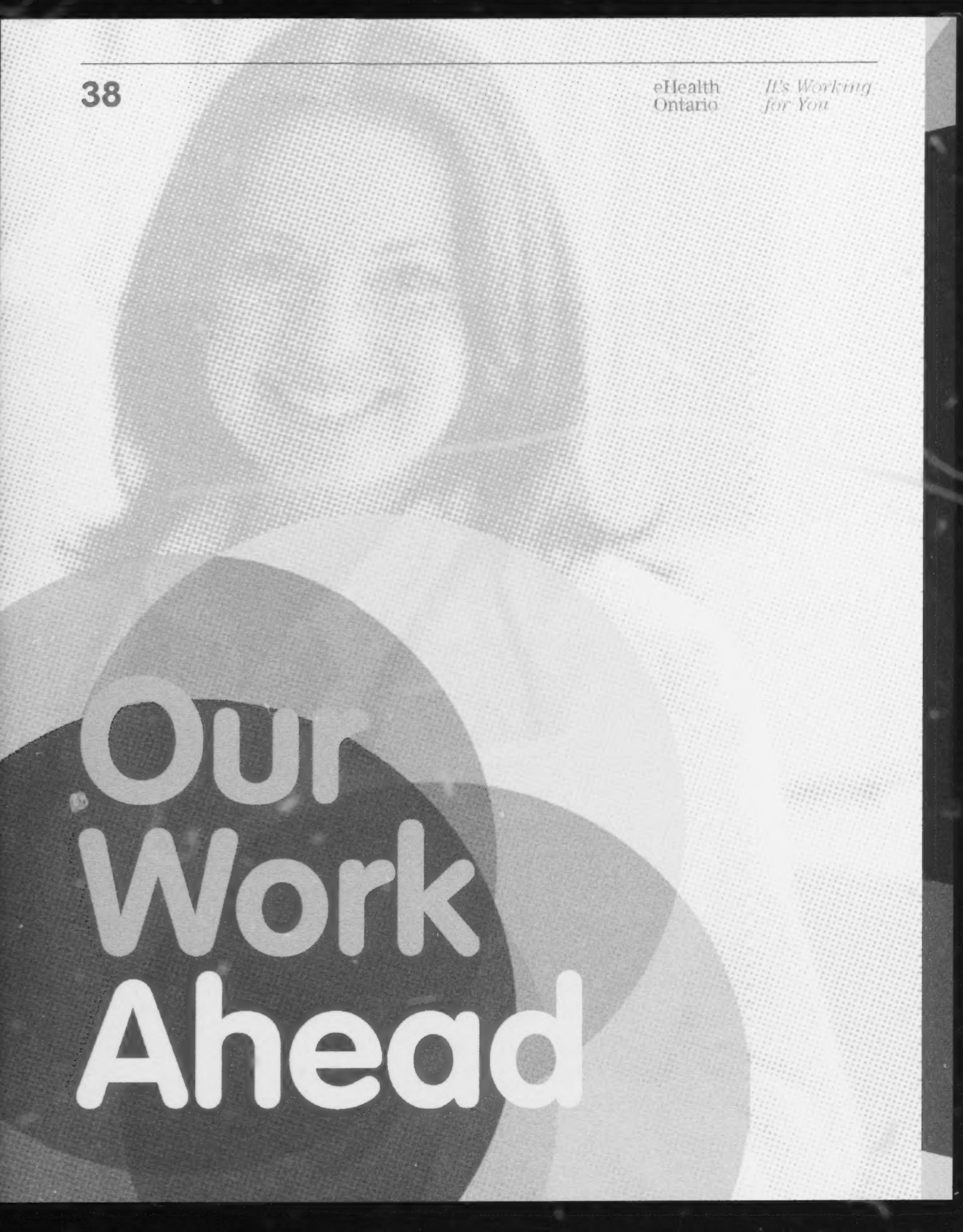
eHealth Ontario Operations Division

The focus for the Operations Division in 2012-2013 was transformation — specifically, enhancing eHealth Ontario's capability to be a top-tier service delivery organization with best practices in availability, capacity and change management, as well as problem resolution, customer service, vendor management and "always on" systems.

WITH AN EXPANDING SET OF PRODUCTS AND SERVICES, AND A GROWING POPULATION OF USERS PROVINCE-WIDE, OPERATIONS HAS IMPLEMENTED SEVERAL MAJOR INITIATIVES TO ACHIEVE THOSE GOALS, INCLUDING:

- A migration of core EHR services to the Guelph Data Centre (GDC), which is a government facility enabling a lights-out, always-on environment that greatly reduces the need for physical access and reduces operations costs
- A network migration of over 930 sites in 2012/2013 for a cumulative total of 2,888 eligible client sites from the ONE® Network to a public service provider, realizing over $20-million in cumulative savings
- Moving to greater use of virtual servers, which reduces physical hardware costs, and increases agility, responsiveness, efficiency, reliability and supportability
- Establishing the Streetsville Data Centre as a disaster recovery infrastructure consistent with GDC, which will facilitate "always on" availability for the EHR





Our Work Ahead

eHealth Ontario, along with its public and private sector collaborators, is engaged in a wide variety of projects focused on building a province-wide EHR for Ontarians. Below are just some of these initiatives:

Physician eHealth Program

- Continued oversight of the EMR adoption program, as well as monitoring progress and realization of targets for EMR adoption
- Exploring integration opportunities with existing provincial health information systems and health care providers to provide physicians with the information and tools needed to assist them in assessing patients

Ontario Laboratories Information System

- eHealth Ontario continues to plan for the collection of data from remaining hospitals and labs, as well as implementation activities for the integration of OLIS into London Health Sciences Centre and Bio-Test Laboratories
- The next phase of ConnectingGTA is focusing on implementation activities to feed laboratory data into OLIS from seven additional GTA hospitals
- During the next fiscal year, the OLIS program will continue deploying OLIS data to clinicians via EMRs and existing hospital viewers

Diagnostic Imaging Program

- eHealth Ontario is working on developing the DI common service project, ongoing security enhancements and future integration activities with independent health facilities (IHFs)
- The GTA West DI-r project will complete integration of its hospitals in 2013
- By mid-2013, 100% of DI reports and images obtained in Ontario hospitals will be available for viewing and sharing within regional DI-rs

Medication Management Program

- Continued collaboration with the MOHLTC and regulatory colleges to develop the policy frameworks required to enable ePrescribing at a provincial level
- Securing clinician involvement through working groups and advisory panels to inform the MMS RFP requirements and ensure the system is responsive to clinician needs

Regional Integration

- The three regional information hubs will continue to leverage existing local assets to provide clinicians with more access to hospital information, and expand technical capabilities to integrate effectively with provincial assets

Patient Benefits From Electronic Health Care

Electronic health records are already having a positive impact on patient care across the province. Patients will notice a difference in their health care experience through:

- Improved care through safer, more accurate and complete information shared among all health care providers;
- Reduced wait times for appointments, procedures and access to community care facilities;
- Reduced wait times for laboratory test results and clinical diagnosis; and
- Improved security of confidential health information through modern, encrypted data protection systems.

Benefits to Doctors and Clinicians

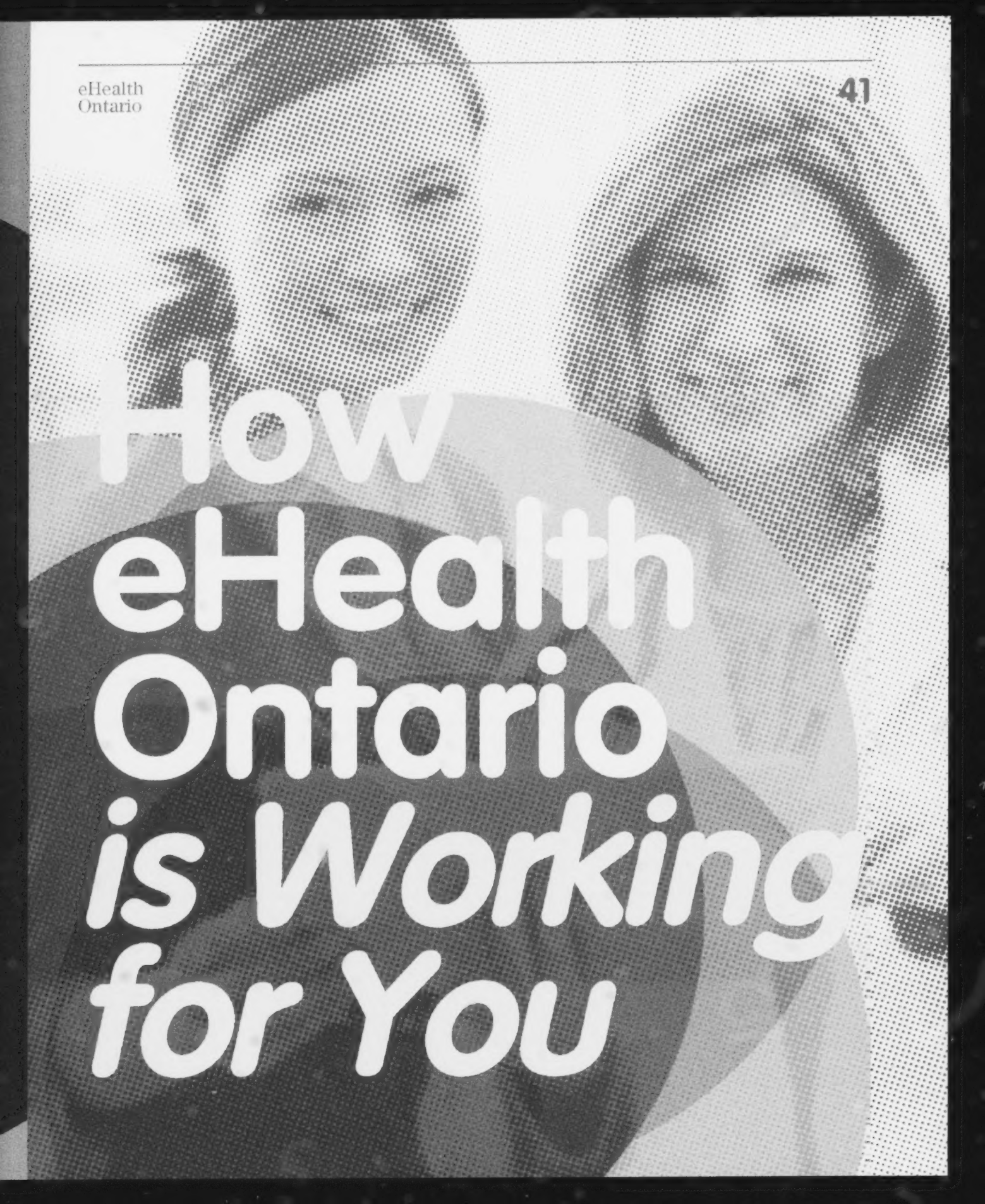
For doctors and clinicians, the impact of electronic health records is far reaching, allowing care givers to improve the services they provide through:

- Immediate, accurate and secure access to pertinent patient medical information from all relevant sources, including hospital and community care reports and discharge records, as well as EMR files;
- Rapid access to a wide array of data ranging from annual patient physicals, lab reports and test results, medication records and digital diagnostic images;
- Ability to coordinate and share data among different electronic record-keeping systems;
- Reduced potential for adverse drug interactions due to electronic prescribing and record-keeping;
- Improved practice efficiencies through automated workflows; and
- Additional time to focus on patients.

Impact on the Health Care System

Electronic health records improve access to the health care system and the quality of care patients receive while reducing costs. Benefits to the system are achieved through:

- Lower costs through fewer duplicate tests, fewer physician and specialist visits and fewer emergency room and hospital visits;
- More efficient transfer of patients to the appropriate level of care (from hospital emergency rooms to long-term care facilities);
- Improved management of chronic diseases;
- Reduced wait times and access to treatment; and
- Reduced demands on health care resources.



How eHealth Ontario is Working for You

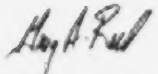
Financial Statements

Management's Responsibility for Financial Information

Management and the board of directors are responsible for the financial statements and all other information presented in the Annual Report. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and where appropriate, include amounts based on management's best estimates and judgment. Management is responsible for the integrity and objectivity of these financial statements. The financial information presented elsewhere in this Annual Report is consistent with that in the financial statements in all material respects.

eHealth Ontario is dedicated to the highest standards of integrity in its business. To safeguard the agency's assets and assure the reliability of financial information, the agency follows sound management practices and procedures, and maintains appropriate financial reporting systems and controls. The board of directors ensures that management fulfills its responsibilities for financial information and internal controls. The financial statements have been reviewed by eHealth Ontario's Finance and Audit Committee and approved by the board of directors.

The financial statements have been examined by Ernst & Young LLP, independent external auditors appointed by the board of directors. The external auditors' responsibility is to examine the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express their opinion on whether the financial statements are fairly presented in accordance with Canadian public sector accounting standards. The Independent Auditor's Report outlines the scope of the Auditor's examination and opinion.



Greg A. Reed
President and Chief Executive Officer
and Board member

Financial Commentary

The financial commentary describes the financial position and results of operations of eHealth Ontario ("the agency") for the fiscal year ended March 31, 2013. This commentary should be read in conjunction with the financial statements and accompanying notes, which have been prepared in accordance with Canadian public sector accounting standards. Management is responsible for the information presented in the Annual Report.

Funding

eHealth Ontario receives all of its funding from the Ministry of Health and Long-Term Care. Under its establishing regulation as an operational services agency, it is prohibited from receiving funding from any other source. eHealth Ontario does not charge health care providers for any products or services.

As noted in the Statements of Operations and Changes in Net Assets, and the Notes to the Financial Statements, funding for reporting purposes has been separated into Government and Capital contributions. Capital contributions relate to purchase of property, equipment and software that are amortized over their useful lives. For FY 2012/13, the amortized expenditure amount to $42.6 million compared to $15.8 million in the prior year. The increase in expense is due to the write-down of capital investments on certain projects that were redefined during the year.

To support eHealth Ontario's general operations and projects, the FY 2012/13 committed funding increased by $14.5 million to $425.0 million from $410.5 million in FY 2011/12.

FY 2012/13 Expenditures

Total expenditures, including capital spend, were 382.8 million (operating expenditures - $359.9 million; capital spend - $22.9 million) in FY 2012/13 compared to $409.4 million (operating expenditures - $369.1 million; capital spend - $40.3 million) in FY 2011/12.

The Statements of Operations and Changes in Net Assets (see excerpt in Table 1 below) reflects the total expenses, with the exception of total capital expenditures, in the year. It includes only the portion of capital amortized within the year.

Table 1: Expenses	FY 2012/13 (in millions)	FY 2011/12 (in millions)
Expenses		
Development and delivery	$175.5	$189.4
Technology services	135.3	139.1
Shared services	29.2	28.4
Enabling technology	19.9	12.2
Operating expenditures	**359.9**	**369.1**
Impairment charge	26.9	1.6
Amortization of capital assets	15.6	14.2
Total expenses	**402.4**	**384.9**

Cash Flow and Financial Position

Cash provided by operating activities was $42.9 million in FY 2012/13 compared to cash used in operating activities of $0.3 million in FY 2011/12. The $43.2 million increase is due to the timing of ministry funding and a decrease in total expenditures.

Cash used to purchase capital assets decreased by $26.5 million to $14.9 million in FY 2012/13 as certain projects and programs required lower capital investments in the year.

Significant changes in the year end balances on the Statements of Financial Position were caused by the timing of ministry funding, the timing of project expenditures and the impairment charge for the write-down of certain capital projects.

To the Board of Directors of eHealth Ontario

We have audited the accompanying financial statements of **eHealth Ontario,** which comprise the statements of financial position as at March 31, 2013 and 2012, and April 1, 2011, and the statements of operations and changes in net assets and cash flows for the years ended March 31, 2013 and 2012, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **eHealth Ontario** as at March 31, 2013 and 2012, and April 1, 2011 and the results of its operations and its cash flows for the years ended March 31, 2013 and 2012 in accordance with Canadian public sector accounting standards.

Ernst & Young LLP

Toronto, Canada,
June 25, 2013.

Chartered Accountants
Licensed Public Accountants

Statements of Financial Position

(in thousands of dollars)

As at	March 31, 2013 $	March 31, 2012 $	April 1, 2011 $
ASSETS			
Current			
Cash	92,044	41,219	42,730
Prepaid expenses	7,489	6,926	4,778
Due from Ministry of Health and Long-Term Care *[note 3[c]]*	4,234	5,950	—
HST and other receivables	7,781	3,107	3,693
Total current assets	111,548	57,202	51,201
Capital assets, net *[note 4]*	69,198	88,907	64,418
Prepaid expenses	2,750	2,778	1,143
	183,496	**148,887**	**116,762**
LIABILITIES AND NET ASSETS			
Current			
Accounts payable and accrued liabilities	71,630	58,446	47,615
Due to Ministry of Health and Long-Term Care *[note 3[b]]*	42,668	1,534	4,729
Total current liabilities	114,298	59,980	52,344
Deferred capital contributions *[note 5]*	69,198	88,907	64,418
Total liabilities	183,496	148,887	116,762
Commitments and contingencies *[note 6]*			
Net assets	—	—	—
	183,496	**148,887**	**116,762**

See accompanying notes

On behalf of the Board:

Greg A. Reed
President and Chief Executive Officer
and Board member

Raymond V. Hession
Chair of the Board of Directors

Statements of Operations and Changes in Net Assets

(in thousands of dollars)

Years ended March 31	2013 $	2012 $
REVENUE		
Government grants *(note 3(a))*	359,913	369,157
Amortization of deferred capital contributions *(note 5)*	42,566	15,784
	402,479	384,941
EXPENSES		
Development and delivery	175,470	189,406
Technology services	135,258	139,121
Shared services	29,208	28,390
Enabling technology	19,977	12,240
	359,913	369,157
Impairment charge *(note 4)*	26,985	1,571
Amortization of capital assets *(note 4)*	15,581	14,213
	402,479	384,941
Excess of revenue over expenses for the year	—	—
Net assets, beginning of year	—	—
Net assets, end of year	—	—

See accompanying notes

Statements of Cash Flows

[in thousands of dollars]

Years ended March 31	2013 $	2012 $
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	—	—
Add (deduct) items not involving cash		
Amortization of deferred capital contributions	(42,566)	(15,784)
Impairment charge	26,985	1,571
Amortization of capital assets	15,581	14,213
	—	—
Net change in non-cash working capital balances related to operations		
Prepaid expenses	(535)	(3,783)
HST and other receivables	(4,674)	586
Accounts payable and accrued liabilities	5,213	12,005
Due to/from Ministry of Health and Long-Term Care	42,850	(9,145)
Cash (used in) provided by operating activities	42,854	(337)
INVESTING ACTIVITIES		
Purchase of capital assets	(14,886)	(41,447)
Cash used in investing activities	(14,886)	(41,447)
FINANCING ACTIVITIES		
Contributions used to fund capital assets	22,857	40,273
Cash provided by financing activities	22,857	40,273
Net (decrease) increase in cash during the year	50,825	(1,511)
Cash, beginning of year	41,219	42,730
Cash, end of year	92,044	41,219

See accompanying notes

Notes to Financial Statements March 31, 2013 and 2012

[in thousands of dollars]

1. Nature of Operations

eHealth Ontario is designated as an operational service agency established under the Ontario Regulation made under the Development Corporations Act (O. Reg. 43/02). Subsection 2(3) of O. Reg. 43/02 provides that eHealth Ontario is, for all purposes, an agency of Her Majesty within the meaning of the Crown Agency Act and its powers may be exercised only as an agency of Her Majesty. Subsection 6(1) of O. Reg. 43/02 provides that the Board of Directors is composed of the members appointed by the Lieutenant-Governor in Council on the recommendation of the Minister of Health and Long-Term Care. The Lieutenant-Governor in Council can appoint up to 12 members to eHealth Ontario's Board of Directors. Pursuant to subsection 7(1) of O. Reg. 43/02 and subject to any directions given by the Minister of Health and Long-Term Care under section 8, the affairs of eHealth Ontario are under the management and control of the Board of Directors. Subsection 9(1) of O. Reg. 43/02 provides that the Chief Executive Officer of eHealth Ontario be appointed by the Lieutenant-Governor in Council.

The following are the objects of eHealth Ontario:

[a] to provide eHealth Ontario services and related support for the effective and efficient planning, management and delivery of health care in Ontario;
[b] to develop eHealth Ontario services strategy and operational policy; and
[c] to protect the privacy of individuals whose personal information or personal health information is collected, transmitted, stored or exchanged by and through eHealth Ontario, in accordance with the Freedom of Information and Protection of Privacy Act, the Personal Health Information Protection Act, 2004 and any other applicable law (O. Reg. 339/08, s.4).

eHealth Ontario and the Ministry of Health and Long-Term Care [the "Ministry"] entered into a Memorandum of Understanding and Transfer Payment Agreement effective April 1, 2009. The Transfer Payment Agreement expired on March 31, 2011 and an Accountability Agreement with the Ministry was signed on March 31, 2011 for a one-year term. Effective April 1, 2012, eHealth Ontario and the Ministry entered into a new Accountability Agreement for a three year period ending March 31, 2015.

eHealth Ontario is funded by the Province of Ontario through the Ministry. Any surplus balance must be repaid in the following fiscal year. Any deficit balance reduces the funding allocation in the following fiscal year.

As a Crown agency, eHealth Ontario is exempt from income taxes.

Notes to Financial Statements March 31, 2013 and 2012

[in thousands of dollars]

2. Summary of Significant Accounting Policies

These financial statements were prepared in accordance with the Public Sector Accounting Handbook, which sets out generally accepted accounting principles for government not-for-profit organizations in Canada. eHealth Ontario has chosen to use the standards for government not-for-profit organizations that include Section PS 4200 to PS 4270. The financial statements have been prepared based on the significant accounting policies described below.

Revenue recognition

eHealth Ontario follows the deferral method of accounting for contributions. Contributions are recognized when received or when receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions with respect to the purchase of capital assets are deferred and recognized as funding in the year in which the amortization expense is recognized.

Allocation of expenses

The costs of each function include the costs of personnel and other expenses that are directly related to the function. General support and other costs are included in shared services expenses.

Capital assets

Capital assets are recorded at cost, net of accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Computer hardware	3 to 5 years
Computer software	3 to 10 years
Furniture and office equipment	5 years
Leasehold improvements	Over the term of the respective leases

Capital assets that no longer have any long-term service potential for eHealth Ontario are written down to residual value, if any. The excess of the carrying value over the residual value of such assets is recognized as amortization in the statement of operations and changes in net assets.

Internal labour costs are capitalized in connection with the development of information technology projects.

Notes to Financial Statements March 31, 2013 and 2012

[in thousands of dollars]

Employee future benefits

Contributions to a defined contribution plan are expensed on an accrual basis.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

3. Government of Ontario

[a] Funding from the Ministry recognized as revenue is calculated as follows:

	2013 $	2012 $
Funding for eHealth Ontario operating/capital expenditures	290,003	256,616
Funding for transfer payments to eHealth Ontario partners	134,997	153,864
Total funding	425,000	410,480
Amounts used to fund capital assets and recorded as deferred capital contributions *[note 5]*	(22,857)	(40,273)
Interest earned during the year repayable to the Ministry	438	484
Interest earned and funding not used recorded as due to Ministry *[note 3(b)]*	(42,668)	(1,534)
Amount recognized as revenue	359,913	369,157

[b] The amount due to the Ministry consists of the following:

	March 31, 2013 $	March 31, 2012 $	April 1, 2011 $
Interest earned and funding not used			
- current and prior year amounts	42,668	1,534	4,941
Funding receivable	—	—	(212)
	42,668	1,534	4,729

[c] Due from the Ministry consists of amounts due from the Ministry's I&IT Health Services Cluster related to the purchase of certain hardware and software on their behalf by eHealth Ontario and labour costs related to services provided by eHealth Ontario.

Notes to Financial Statements March 31, 2013 and 2012

[in thousands of dollars]

4. Capital Assets

March 31, 2013	Cost	Accumulated amortization	Net book value
	$	$	$
Computer hardware	66,673	42,047	24,626
Computer software	63,419	30,778	32,641
Furniture and office equipment	5,845	4,253	1,592
Leasehold improvements	4,258	3,559	699
Work-in-process	9,640	—	9,640
	149,835	80,637	69,198

March 31, 2012	Cost	Accumulated amortization	Net book value
	$	$	$
Computer hardware	67,617	43,474	24,143
Computer software	51,336	25,355	25,981
Furniture and office equipment	4,971	3,646	1,325
Leasehold improvements	3,565	3,428	137
Work-in-process	37,321	—	37,321
	164,810	75,903	88,907

April 1, 2011	Cost	Accumulated amortization	Net book value
	$	$	$
Computer hardware	58,633	37,853	20,780
Computer software	32,500	27,315	5,185
Furniture and office equipment	4,441	3,097	1,344
Leasehold improvements	3,492	3,070	422
Work-in-process	36,687	—	36,687
	135,753	71,335	64,418

There are assets included in capital assets that have been purchased and not placed into use and therefore have not been amortized for the year. The net book value of these assets is as follows:

	March 31, 2013	March 31, 2012	April 1, 2011
	$	$	$
Computer hardware	—	—	7,035
Computer software	—	—	42
Work-in-process	9,640	37,321	36,687
	9,640	37,321	43,764

Notes to Financial Statements March 31, 2013 and 2012

(in thousands of dollars)

In the current year, certain assets no longer in use with a total cost of $10,847 [March 31, 2012 - $11,216], accumulated amortization of $10,484 [March 31, 2012 - $9,624] and a net book value of $363 [March 31, 2012 - $21; April 2011 - $217] were written off and included in amortization of capital assets.

Impairment charges of $26,985 [March 31, 2012 - $1,571; April 1, 2011 – nil] related to the write down of work-in-process in connection with projects that have been redefined were also recognized during the year.

5. Deferred Capital Contributions

	March 31, 2013 $	March 31, 2012 $	April 1, 2011 $
Balance, beginning of year	88,907	64,418	36,731
Contributions used to fund capital asset purchases *[note 3[a]]*	22,857	40,273	39,246
Amortization	(42,566)	(15,784)	(11,559)
Balance, end of year	69,198	88,907	64,418

6. Commitments and Contingencies

[a] eHealth Ontario has various multi-year contractual commitments for services.

Payments required on these commitments are as follows:

	$
2014	61,348
2015	45,314
2016	14,814
2017	10,046
2018	5,927
2019 and thereafter	—
	137,449

Notes to Financial Statements March 31, 2013 and 2012

(in thousands of dollars)

[b] Ontario Realty Corporation, a Crown Corporation of the Province of Ontario, holds leases on the office space occupied by eHealth Ontario. eHealth Ontario is responsible for all the operating lease payments. The payments required to the date of expiry are as follows:

	$
2014	5,862
2015	4,964
2016	4,261
2017	1,281
2018	167
2019 and thereafter	–
	16,535

[c] eHealth Ontario has entered into transfer payment agreements with eHealth Ontario partners that require future payments once defined eligibility requirements have been met. Work has begun under many of these arrangements and progress against the eligibility requirements is monitored regularly. Total future payments in connection with these contracts are approximately $141 million, of which $130 million is expected to be paid in fiscal 2014. These payments are payable over the period ending March 31, 2016.

[d] During the year ended March 31, 2013, as a result of a court endorsed settlement, eHealth was required to pay bonuses to staff related to fiscal 2011 and 2012 totalling $6.7 million. As at March 31, 2012, an accrual of $5.1 million had been recorded in the accounts. The difference of $1.6 million was expensed this year.

With respect to bonuses related to the year ended March 31, 2013, the payment of bonuses was not approved and therefore no amount has been accrued. If approval is obtained to pay bonuses in connection with the year ended March 31,2013, the amount payable will be expensed in the year when an estimate can be made and it is likely that an amount will be payable.

[e] In the normal course of operations, eHealth Ontario is subject to various claims and potential claims. Management has recorded its best estimate of the potential liability related to these claims where potential liability is likely and able to be estimated. In other cases, the ultimate outcome of the claims cannot be determined at this time.

Any additional losses related to claims will be recorded in the year during which the liability is able to be estimated or adjustments to any amount recorded are determined to be required. Any adjustments to the amounts recorded related to claims will be recorded in the year during which the adjustments to the amounts recorded are determined to be required.

Notes to Financial Statements March 31, 2013 and 2012

[in thousands of dollars]

7. Employee Future Benefits

eHealth Ontario has a defined contribution pension plan for its employees. eHealth Ontario's contributions to this plan during the year amounted to $3,592 [2012 - $3,176].

8. Supplemental Cash Flow Information

The change in accounts payable and accrued liabilities related to the purchase of capital assets for the year ended March 31, 2013 of $7,971 [2012 - $1,174] has been excluded from the statement of cash flows.

9. Financial Instruments

Credit risk

eHealth Ontario is exposed to credit risk in connection with its accounts receivable because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation.

eHealth Ontario manages and controls credit risk with respect to accounts receivable by only dealing with recognized, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis. As at March 31, 2013, significantly all receivables are current.

Liquidity risk

eHealth Ontario is exposed to the risk that it will encounter difficulty in meeting obligations associated with its financial liabilities. eHealth Ontario derives all of its operating revenue from the Ontario government with no firm commitment of funding in future years. To manage liquidity risk, eHealth keeps sufficient resources readily available to meet its obligations.

Accounts payable mature within 6 months.

10. First-time Adoption of Canadian Public Sector Accounting Standards

These financial statements are the first financial statements that eHealth Ontario has prepared in accordance with the Public Sector Handbook, which constitutes generally accepted accounting principles for government not-for-profit organizations in Canada. eHealth Ontario has chosen to use the standards for government not-for-profit organizations that include Section PS 4200 to PS 4270. First-time adoption of this new basis of accounting had no impact on excess of revenue over expenses for the year ended March 31, 2012, or net assets as at April 1, 2011, the date of transition.

eHealth Ontario

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